



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 3
AGENDA DATE: 5/14/2009
PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of an agreement with the AUSTIN REVITALIZATION AUTHORITY under the Acquisition and Development Program, in an amount not to exceed \$281,776 for the purchase of predevelopment materials and site improvements associated with the development of the historic Juniper-Olive District. Funding is subject to Environmental Review and Fund Release and future funds are based on funding availability.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 the Austin Housing Finance Corporation budget allocation under the Acquisition and Development Program using federal CDBG funds and non-federal General Fund and AHFC Housing Assistance funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING **DIRECTOR'S**
DEPARTMENT: Austin Housing Finance Corporation **AUTHORIZATION: _____**

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION: August 8, 2002, Approved transfer of land and deferred loan up to \$600,000; March 08, 2007, Approved amendment to Anderson Hill Redevelopment Program Loan Agreement; December 18, 2008, Approved amendment to Anderson Hill Redevelopment Program Loan Agreement.

Approval of this funding will allow AHFC to purchase predevelopment materials and site improvements associated with the development of the Juniper-Olive Historic District from the Austin Revitalization Authority (ARA). The purchase of these items are necessary for the development of six single-family homes in the district and the redevelopment of 1108 Olive Street, a historic home.

Following Austin Housing Finance Corporation (AHFC) Board approval, an Acquisition and Development agreement will be negotiated and executed with ARA in an amount not to exceed \$281,766.

ARA engaged professional predevelopment services and undertook the development of site improvements to expedite the renovation and construction of homes for sale to low-moderate income buyers. The scope of the project for which ARA incurred

predevelopment and construction costs must be reevaluated because of project delays and changes in market conditions. The costs that ARA incurred place an inordinate amount of debt on ARA, which is a community nonprofit organization. Options to proceed with the project under current market conditions will be developed and considered with input from the community and the City Council.

The predevelopment activities and materials being purchased include such items as plans, specifications, and environmental reports and other costs associated with predevelopment. The site improvements include subdivision of property, a retaining wall, and an alley way.

The requested funding is available in the Fiscal Year 2008-2009 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing to provide home ownership opportunities for low and moderate income households.